

Message Text

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ACTION EUR-12

INFO OCT-01 ISO-00 CIAE-00 COME-00 EB-08 INR-07 LAB-04
NSAE-00 SIL-01 TRSE-00 OMB-01 H-01 DODE-00 PA-01
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E.O. 11652: N/A
TAGS: ELAB, PINT, UK
SUBJECT: UNEMPLOYMENT INCREASES IN NEW POST WAR RECORD

1. FIGURES RELEASED YESTERDAY (JANUARY 25) BY THE DEPARTMENT OF EMPLOYMENT (DE) INDICATE THAT UNEMPLOYMENT HAS SURPASSED THE POST-WAR RECORD. ADULT UNEMPLOYMENT IN THE UK ROSE BY NEARLY 40,000 DURING THE LAST THREE MONTHS TO 1.34 MILLION ADULT WORKERS (SEASONALLY ADJUSTED). THIS REPRESENTS 5.7 PERCENT OF THE ADULT WORK FORCE (DETAILS BY POUCH).

2. THESE FIGURES REPRESENT THE MOST COMPLETE COUNT SINCE OCTOBER, 1976 (GAP WAS DUE TO AN INDUSTRIAL DISPUTE WITHIN THE DE). HOWEVER, CERTAIN INFORMATION SUCH AS VACANCIES AND THE NUMBER MOVING ON AND OFF THE EMPLOYMENT REGISTER IS STILL LACKING. DESPITE THESE STATISTICAL GAPS, THE INFORMATION AVAILABLE INDICATES THAT THE HOPES EXPRESSED LAST SUMMER AND EARLY FALL THAT THEHWA TE OF UNEMVVOYMENT MAY BE LEVEWVING OFF HAVE BEEN DASHED.

3. CHANCELLOR OF THE EXCHEQUER DENIS HEALEY RECOGNIZED IN HIS NEW YEAR MESSAGE (AS REPORTED IN THE FINANCIAL
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TIMES, DECEMBER 31, 1976) THAT "UNEMPLOYMENT IS LIKELY TO CONTINUE RISING..." THE PRIME MINISTER IN HIS COMMENTS ON THE DE FIGURES AGREED YESTERDAY IN THE COMMONS THAT HE "DID NOT THINK IT IS POSSIBLE THAT THIS FIGURE WILL BE REDUCED FOR SOME TIME, AS LONG AS WE ARE TRYING TO SQUEEZE INFLATION OUT OF THE ECONOMY." THE TRADE UNION RESPONSE TO THESE GRIM FIGURES WAS LESS STOIC. LEN

MURRAY, TUC GENERAL SECRETARY, WAS QUICK TO NOTE THAT THE TUC GENERAL COUNCIL (WHICH IS MEETING TODAY, JANUARY 26) "WILL BE INSISTING ON AN EXPLICIT TARGET FOR REDUCTION IN EMPLOYMENT WHICH MUST BE PART OF ANY NEW DEAL WITH THE GOVERNMENT (ON PAY)". THE CONSERVATIVE LEADER, MARGARET THATCHER, CALLED THE LABOR PARTY "THE PARTY OF UNEMPLOYMENT" AND LABOR BACKBENCHERS CALLED FOR URGENT GOVERNMENT ACTION TO DEAL WITH THE PROBLEM.

4. JOHN METHVEN, DIRECTOR GENERAL OF THE CONFEDERATION OF BRITISH INDUSTRY (CBI) GAVE US HIS PRIVATE VIEW THAT UNEMPLOYMENT COULD RISE TO NEARLY 2 MILLION (UNADJUSTED) IN 1977. THE GOVERNMENT THUS FAR HAS REFRAINED FROM GIVING SPECIFIC ESTIMATES OF THE PROJECTED INCREASES OVER THE NEXT TWELVE MONTH PERIOD. IT IS, HOWEVER, ENTERING THE CRITICAL PHASE OF OLYMPIAN NEGOTIATIONS WITH THE TUC ON ANOTHER YEAR OF WAGE RESTRAINT IN SOME FORM AND THE CONTINUED RISE IN UNEMPLOYMENT WILL, AT THE VERY LEAST, COMPLICATE AND MAKE MORE DIFFICULT AN AGREEMENT. MURRAY HAS IN THE PAST TOLD US THAT THE RANK AND FILE MAY SAY TO ITS LEADERSHIP IN THE UNIONS "ENOUGH IS ENOUGH". WHILE THE PAIN THRESHOLD SEEMS TO BE GOING HIGHER AND HIGHER, THERE COULD COME A MORE SERIOUS BREAKDOWN IN THE RELATIONSHIP BETWEEN THE GOVERNMENT AND THE TRADE UNIONS IF UNEMPLOYMENT WERE TO REACH THE 2 MILLION MARK.

ARMSTRONG

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Control Number: n/a
Copy: SINGLE
Sent Date: 26-Jan-1977 12:00:00 am
Decaption Date: 01-Jan-1960 12:00:00 am
Decaption Note:
Disposition Action: RELEASED
Disposition Approved on Date:
Disposition Case Number: n/a
Disposition Comment: 25 YEAR REVIEW
Disposition Date: 22 May 2009
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